GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2878
ANSWERED ON:15.03.2016
Production of Ethanol
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to promote use of ethanol as an alternative fuel in the country and if so, the details thereof indicating the cost of production of ethanol;
(b) the quantity of ethanol produced in the country during the last three years and the current year and the projected demand and supply of ethanol by the end of the 12th Five Year Plan;
(c) whether the Government has received certain complaints against the operators of sugar industries and Oil Marketing Companies relating to the pricing of ethanol blended petrol and if so, the details thereof and the action taken by the Government in this regard;
(d) whether the Sugar Mills have represented to the Government to increase the utilisation of their molasses for production of Ethanol, if so, the details thereof and the response of the Government thereto; and
(e) the measures taken by the Government to augment production and use of ethanol in the country?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a): Yes, Madam. The National Policy on bio fuels, announced in December, 2009 aims at bringing about accelerated development and promotion of the cultivation, production and use of bio-fuels including bio-ethanol to increasingly substitute petrol and diesel for transport and other applications. Under Ethanol Blending Programme (EBP), the Central Government has scaled up blending targets from 5% to 10% to promote blending of ethanol with petrol and its use as alternative fuel. As per industry sources, the production cost of ethanol produced through C-heavy route from molasses is Rs. 36.2 per litre.
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(b): The production of ethanol is linked to the production of molasses which is a by product during production of sugar. The details of alcohol/ethanol manufactured from molasses during 2012-13, 2013-14, 2014-15 and the current year as received from industry sources are annexed. Estimate of demand and supply of ethanol by the end of 12th Five Year Plan i.e. for the year 2016-17 are not available.
(c): Representation has been received from the Chemical Industry against the pricing of ethanol for Ethanol Blended Petrol (EBP) Programme. Presently the matter is sub-judice.
(d): No, Madam.
(e): The Government is promoting various Research and Development (R & D) programmes for developing bio-fuel technologies, particularly second generation bio-fuel technologies for production of ethanol from Lingo-Cellulosic materials. With a view to increase production of ethanol, the Government is also providing soft loans of up to 40% of the project cost to the sugar mills for setting up ethanol projects. With a view to augment supplies of ethanol to Oil Marketing Companies (OMCs) under Ethanol Blending Programme (EBP), policy for procurement of ethanol has been modified to smoothen the entire ethanol supply chain to provide remunerative price of ethanol. Further, excise duty on ethanol has been waived off for supply under EBP for current sugar season 2015-16 and blending targets has also been scaled up from 5% to 10%.
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